Training Preston M. Taylor Jr. presented Congressman G.V. (Sonny) Montgomery, ''Mister Veteran'', with the Veterans Employment Award at the Department of Labor's 15th Annual Salute to All American Veterans, in Washington, DC.

The award, created by the Veterans' Employment and Training Service, will be presented annually in Congressman Montgomery's honor to a veterans' advocate as part of future Salute ceremonies. The agency will use the high standard of advocacy set by ''Mr. Veteran'' himself to judge those who follow in receipt of this commemorative award.

In recognizing Congressman Montgomery, Secretary Taylor noted that since next year the 104th Congress would have adjourned before Veterans's Day, the Department of Labor's Veterans' Employment and Training Service wanted to recognize at this Salute ceremony the contributions Mr. Montgomery has made to veterans in general and to the agency in particular.

The Salute ceremony program of events included a brief sketch of the honoree's biographical highlights and a letter from President Clinton expressing his deep appreciation to Sonny Montgomery for all he has done on behalf of America's veterans.

Secretary Taylor observed that Mr. Montgomery regards the men and women of the armed forces almost as family members whose interests he had tried to protect and advance from his strategic committee positions. Also, as a lawmaking guardian, Mr. Montgomery is known to be caring but stern, and will invest all his energies to protect and expand benefits he believes veterans have coming to them. Taylor said that his special presence for all veterans, reservists, and National Guard members will be missed.

STATEMENT OF REPRESENTATIVE JOSEPH P. KENNEDY II, NOVEMBER 20, 1995

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 20, 1995

Mr. KENNEDY of Massachusetts. Mr. Speaker, today I am introducing the Mom and Pop Protection Act. The Mom and Pop Protection Act provides low-cost loans for the installation of security-related features in a convenience store. Under this act, MAPPA money would be made available for small businesses to make crime-fighting improvements that may have been unaffordable in the past.

This bill is aimed at helping mom and pop convenience stores create a safer workplace for clerks and employees who have all too often been the victims of armed robbery and violence.

We have seen crime against convenience stores rise by 38 percent nationally. Too many clerks in our neighborhood convenience stores have faced criminals who have threatened their lives at gunpoint. These criminals often prey on stores that lack the means to install the security devices this legislation makes affordable.

The act makes the installation of video-surveillance cameras and cash lockboxes possible for small businesses who could not otherwise afford such equipment.

This legislation offers the small business owner an opportunity to install equipment that has been proven to reduce crime against convenience stores. Installation of these features has been shown to reduce crime against convenience stores by 20 percent.

Mr. Speaker, the Mom and Pop Protection Act is a probusiness approach to fighting crime. It offers small business owners the opportunity to take advantage of crime prevention methods that larger, better financed convenience stores already have in place.

INTELLECTUAL PROPERTY ANTITRUST PROTECTION ACT OF 1995

s owners the opportunity to take advantage of crim[illegible] 1341–42 (9th Cir. 1984), cert. convenience store

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 20, 1995

Mr. HYDE. Mr. Speaker, today I am introducing the Intellectual Property Antitrust Protection Act of 1995. I am pleased to be joined by my colleagues on the Judiciary Committee, Mr. MOORHEAD, Mr. SENSENBRENNER, Mr. GEKAS, Mr. COBLE, Mr. SMITH of Texas, Mr. CANADY, Mr. BONO, Mr. BRYANT of Tennessee, and Ms. LOFGREN who are original sponsors of this legislation.

Because of increasing competition and a burgeoning trade deficit, our policies and laws must enhance the position of American businesses in the global marketplace. This concern should be a top priority for this Congress. A logical place to start is to change rules that discourage the use and dissemination of existing technology and prevent the pursuit of promising avenues of research and development. Some of these rules arise from judicial decisions that erroneously create a tension between the antitrust laws and the intellectual property laws.

Our bill would eliminate a court-created presumption that market power is always present in a technical antitrust sense when a product protected by an intellectual property right is sold, licensed, or otherwise transferred. The market power presumption is wrong because it is based on false assumptions. Because there are often substitutes for products covered by intellectual property rights or there is no demand for the protected product, an intellectual property right does not automatically confer the power to determine the overall market price of a product or the power to exclude competitors from the marketplace.

The recent antitrust guidelines on the licensing of intellectual property—issued jointly by the antitrust enforcement agencies, the Department of Justice and the Federal Trade Commission—acknowledge that the court-created presumption is wrong. The guidelines state that the enforcement agencies ''will not presume that a patent, copyright, or trade secret necessarily confers market power upon its owner. Although the intellectual property right confers the power to exclude with respect to the *specific* product, process, or work in question, there will often be sufficient actual or potential close substitutes for such product, process, or work to prevent the exercise of market power.'' Antitrust Guidelines for the Licensing of Intellectual Property dated April 6, 1995 at 4 (emphasis in original).

For too long, Mr. Speaker, court decisions have applied the erroneous presumption of market power thereby creating an unintended conflict between the antitrust laws and the intellectual property laws. Economists and legal scholars have criticized these decisions, and more importantly, these decisions have discouraged innovation to the detriment of the American economy.

The basic problem stems from Supreme Court and lower Federal court decisions that construe patents and copyrights as automatically giving the intellectual property owner market power. *Jefferson Parish Hospital District No. 2* v. *Hyde,* 466 U.S. 2, 16 (1984); *United States* v. *Loews, Inc.,* 371 U.S. 38, 45 (1962); *Digidyne Corp.* v. *Data General Corp.,* 734 F.2d 1336, 1341–42 (9th Cir. 1984), cert. denied, 473 U.S. 908 (1984). To be sure, some courts have also refused to apply the presumption despite the Supreme Court's rulings. *Abbott Laboratories* v. *Brennan,* 952 F.2d 1346, 1354–55 (Fed. Cir. 1991), cert. denied, 505 U.S. 1205 (1992): *A.I. Root Co.* v. *Computer/Dynamics, Inc.,* 806 F.2d 673, 676 (6th Cir. 1986). As the guidelines note, the law is unclear on this issue. Antitrust Guidelines for the Licensing of Intellectual Property dated April 6, 1995 at 4 n. 10. This lack of clarity causes uncertainty about the law which, in turn stifles innovation and discourages the dissemination of technology.

For example, under Supreme Court precedent, tying is subject to per se treatment under the antitrust laws only if the defendant has market power in the tying product. However, the presumption automatically confers market power on any patented or copyrighted product. Thus, when a patented or copyrighted product is sold with any other product, it is automatically reviewed under a harsh per se standard even though the patented or copyrighted product may not have any market power. As a result, innovative computer manufacturers may be unwilling to sell copyrighted software with unprotected hardware—a package that many consumers desire—because of the fear that this bundling will be judged as a per se violation of the prohibition against tying. The disagreement among the courts only heightens the problem for corporate counsel advising their clients as to how to proceed. Moreover, it encourages forum shopping as competitors seek a court that will apply the presumption. Clearly, intellectual property owners need a uniform national rule enacted by Congress.

Very similar legislation, S. 270, passed the Senate four times during the 101st Congress with broad, bipartisan support. During the debate over that legislation, opponents of this procompetitive measure made various erroneous claims about this legislation—let me dispel these false notions at the outset. First, this bill does not create an antitrust exemption. To the contrary, it eliminates an antitrust plaintiff's ability to rely on a demonstrably false presumption without providing proof of market power. Second, this bill does not in any way affect the remedies, including treble damages, that are available to an antitrust plaintiff when it does prove its case. Third, this bill does not change the law that tying arrangements are deemed to be per se illegal when the defendant has market power in the typing product. Rather, it simply requires the plaintiff to prove that the claimed market power does, in fact, exist before subjecting the defendant to the per se standard. Fourth, this bill does not legalize any conduct that is currently illegal.

Instead, this bill ensures that intellectual property owners are treated the same as all other companies under the antitrust laws, including those relating to tying violations. The bill does not give them any special treatment,